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Strengthening of the coordination of humanitarian and disaster relief assistance of the United Nations, including special economic assistance: strengthening of the coordination of emergency humanitarian assistance of the United Nations

Letter dated 3 December 2014 from the Secretary-General addressed to the President of the General Assembly

I have the honour to refer to General Assembly resolution 60/124 of 15 December 2005, by which the Assembly established the Central Emergency Response Fund (CERF) Advisory Group to advise me on the use and impact of the Fund. In accordance with the provisions of paragraph 21 of the resolution, I hereby submit a note on the meeting of the Advisory Group, which took place in New York on 23 and 24 October 2014 (see annex).

As summarized in the note, the Advisory Group expressed appreciation to the Emergency Relief Coordinator and the CERF secretariat for the management of the Fund.

The Advisory Group discussed how to deal with the potential misuse of CERF funds and the challenge of communicating potential misuse to donors. The Group reaffirmed that any misuse of CERF funds should be treated in accordance with existing oversight rules and mechanisms of the recipient agencies and be informed by the ongoing system-wide efforts to ensure coherence of treatment of fraud within the United Nations.

The Advisory Group met with senior officials from the United Nations Population Fund and the United Nations Children's Fund to discuss how to improve the timeliness of disbursement of funds by the United Nations to its implementing partners, issues related to communication of potential misuse of CERF funds; and the visibility of CERF. The agencies acknowledged the importance of CERF as a unique and invaluable life-saving financing mechanism and praised the speed and effectiveness of the Fund.

The Advisory Group also considered a number of policy issues, including the CERF risk management plan; progress made following the recommendations from the independent review of the Performance and Accountability Framework; and the independent country reviews of the added value of CERF in the Sudan and the

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Democratic People's Republic of Korea. The Group was also briefed on the World Humanitarian Summit.

I should be grateful if you would bring the present letter and its annex to the attention of Member States and observer missions.

(*Signed*) **BAN** Ki-moon

Annex

Note on the meeting of the Central Emergency Response Fund Advisory Group (23 and 24 October 2014)

Summary of the meeting

1. The Advisory Group of the Central Emergency Response Fund (CERF) was established by the General Assembly in its resolution 60/124 to advise the Secretary-General, through the Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator, on the use and impact of the Fund. The Advisory Group's second meeting of 2014 was held in New York on 23 and 24 October and was chaired by Catherine Walker (Australia).

2. The Emergency Relief Coordinator, Valerie Amos, briefed the members of the Advisory Group on the use and management of CERF from 1 January through mid-October 2014. The meeting was an opportunity for the members to interact directly with the senior leadership of two CERF recipient agencies — the United Nations Children's Fund (UNICEF) and the United Nations Population Fund (UNFPA) — on their experience with the use of CERF funds. The Group also interacted with other representatives of the Inter-Agency Standing Committee (IASC), focusing their discussion primarily on the timeliness of partnership arrangements between United Nations agencies, funds and programmes, and the International Organization for Migration and their implementing partners.

3. The Advisory Group also discussed the mechanisms and processes in place to deal with potential misuse of CERF funds and processes for communicating a potential misuse of funds to donors. The Group, furthermore, received and considered updates on key policy issues, including the analysis and the lessons learned from the roll-out of the revised resident Coordinator/humanitarian coordinator reporting process on the use and impact of CERF funds; the CERF risk management plan; progress made following up on recommendations from the independent review of the performance and accountability framework; and the independent reviews of the added value of CERF in the Sudan and the Democratic People's Republic of Korea. The Group was also briefed on the World Humanitarian Summit process.

4. Further to these discussions, the Advisory Group would like to make the following observations and recommendations:

Recommendations and conclusions

5. The Emergency Relief Coordinator informed the Advisory Group that CERF had committed $436 million to 45 countries and territories from January through mid-October 2014. She provided an update on enhanced efforts by the CERF secretariat to ensure the strategic use of CERF funds, particularly through strengthened prioritization guidance and the revamped training framework that target decision makers in the field, focusing primarily on resident/humanitarian coordinators and the senior leadership within the humanitarian country teams). She highlighted the regional approach used by CERF in responding to humanitarian needs in countries affected by regional crises, which is one of the Fund's comparative advantages, focusing on rapid response allocations to South Sudan and the Central African Republic regional crises, as well as on the second 2014

underfunded emergencies round, which targeted the Sahel and Horn of Africa regions. The Emergency Relief Coordinator informed the Advisory Group about two recently commissioned studies, which would assess the feasibility of increasing the CERF annual funding target and explore new funding modalities, among other potential revisions. In a discussion about increasing the CERF funding target, she noted that the issue had been raised before and that any revision would need to take into consideration an overall view of humanitarian financing, as well as broader questions about how humanitarian work was done, its effectiveness and the links between humanitarian action and development. The Advisory Group expressed its appreciation to the Emergency Relief Coordinator and the CERF secretariat for their management of CERF.

6. Considering the topic of the potential misuse of CERF funds and challenges in communicating the misuse, the Advisory Group reiterated that fraud posed a serious risk to humanitarian action and to the reputations of CERF and the United Nations. The potential misuse of CERF funds should be treated in accordance with the existing oversight rules and mechanisms of the recipient agencies and informed by the ongoing system-wide efforts to ensure coherence in the treatment of fraud within the United Nations. Communication of fraud should be guided by the principles of transparency and follow due process. The Group noted that recipient agencies should be proactive in ensuring that the CERF secretariat would be informed of any case of misuse of CERF funds at the start of an investigation. The members requested that the CERF secretariat proceed with mapping the existing regulatory frameworks and drafting standard operating procedures for actions to be taken by CERF in the event of fraudulent use of CERF funds. The Advisory Group also agreed to address the issue again at its next meeting.

7. The Advisory Group welcomed the opportunity to meet with the senior leadership of two CERF recipient agencies (UNICEF and UNFPA). The two agency representatives acknowledged the importance of CERF funds for their operations. They updated the Group on their efforts related to timely disbursement of CERF subgrants and responded to queries about the visibility of CERF and communication of potential misuse of CERF funds.

8. The agency representatives emphasized the crucial role of CERF grants in supporting their agencies' humanitarian operations — both rapid response and underfunded emergencies grants — although noting that the total annual amount of CERF grants over the past years had been consistent, while the needs had grown. The representatives advised that the way UNICEF and UNFPA maximized their use of CERF depended mainly on the availability and speed of other funding sources, and emphasized that CERF funds helped to save lives and deliver concrete results. The representatives further highlighted that CERF had helped kick-starting activities in the sector of maternal and reproductive health, which was often overlooked or failed to attract sufficient funding in emergencies. The agency representatives committed to continue to assist the CERF secretariat in its efforts to enhance the visibility of CERF beyond the immediate stakeholders; and committed to sharing with the CERF secretariat, in accordance with their internal oversight rules and regulations, information on the potential misuse of CERF funds should this occur.

9. Both representatives emphasized the importance that their organizations attached to the improvement of timeliness of disbursement of subgrants to their

implementing partners, referring to ongoing internal efforts and measures already put in place, for example, the revision of partnership agreements. While the representatives emphasized the difficulties, such as administering a high number of subgrants and numerous multisector agreements, and difficulties in identifying suitable partners in the field, they both noted that contextual difficulties, such as changes in security conditions, and country-specific nuances could skew disbursement figures, and that disbursement times did not necessarily reflect implementation realities. Both representatives acknowledged, however, that further steps were needed to speed up the disbursement of CERF subgrants, including further streamlining their internal disbursement procedures and by better understanding cases and contexts where subgrants were particularly slow to reach implementing partners. They committed to continue working, together with senior management in their organizations, towards the improved timeliness of disbursement of CERF funds.

10. The Group appreciated the opportunity to exchange views with other representatives of IASC and welcomed the ongoing work of the IASC Humanitarian Financing Task Team on best practices to accelerate the implementation of CERF-funded projects. The members took note of the variety of systemic and contextual factors affecting the timeliness of disbursement and implementation, including the potentially competing requests for strengthened accountability and risk management systems. They reiterated that rapid disbursement of funds was central to the Fund's life-saving mandate and key for maintaining the reputation of CERF as an effective humanitarian financing mechanism. The Group members called upon the senior management of IASC members to demonstrate continuous measurable improvements, and requested the CERF secretariat to develop targeted key messages on the timeliness of disbursement for the donors' representatives to raise at meetings of the Executive Board of the respective recipient agencies. The Group will again address the issue and assess the progress made by CERF recipient agencies at its next meeting.

11. The members welcomed the analysis and the lessons learned from the roll-out of the revised resident/coordinator/humanitarian coordinator narrative reporting process. The Group was encouraged by the findings confirming that the quality of reports was high, that the reporting process was consultative, that CERF added value in humanitarian response and that the funds were used for the intended purpose. They encouraged the CERF secretariat to further strengthen the use of information collected through the resident coordinator/humanitarian coordinator reports, including for demonstrating the impact of CERF to external audiences.

12. The Advisory Group received an update on the semi-annual CERF risk management plan and the revision of the performance and accountability framework. The Group acknowledged their importance for risk mitigation and advocacy purposes and asked the CERF secretariat to provide an update at its next session. The Group members acknowledged the independent reviews of the added value of CERF in the Sudan and the Democratic People's Republic of Korea, which offered valuable insights into CERF-funded operations in those countries.

13. The Advisory Group expressed its appreciation for the briefing on the World Humanitarian Summit and emphasized the link with ongoing processes that might result in proposals to revise the humanitarian financing architecture, including potential changes to CERF.

Administrative matters

14. The Advisory Group expressed its appreciation for the work of its Chair, Catherine Walker (Australia) and welcomed María Andrea Albán Durán (Colombia), Nestor Koko (Côte d'Ivoire), Samson Palia Wangusi (Kenya), Per Örneus (Sweden), Manuel Bessler (Switzerland) and Jesus Domingo (Philippines), who began their terms in October 2014.

15. The next meeting of the CERF Advisory Group is to be held in Geneva in May 2015.